



"The only irreplaceable capital an organization possesses is the knowledge and ability of its people."

– Andrew Carnegie

Purchasing Update

Division of Purchasing, Idaho Department of Administration

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Purchasing Workshop



The next purchasing workshop for Southwestern Idaho will be June 16th at the Idaho Transportation Department, 3311 W State Street, Boise, from 9 am to Noon. Subjects will include changes to Public Works laws, Enterprise Rent-A-Car contract review, using the Vendor Performance Report on the Internet, and statewide contract updates. Registration is not necessary to attend this workshop. Workshops for Northern and Eastern Idaho will be announced soon.



New Purchasing Training Calendar

The Purchasing website training page has been redesigned to list training opportunities by month. A number of new dates have been added for the Division of Purchasing sponsored classes *Introduction to Idaho Public Purchasing* and *Writing Effective Specifications* around the State. These classes are offered at *no cost* to state and public purchasing personnel. For information and online registration go to the Purchasing website at:

<http://www2.state.id.us/adm/purchasing/Training/training.htm>

Registration is still open for the following NIGP seminars. Information for these seminars is also available on the website listed above. All seminars are held in Boise.

[Contract Administration](#) - July 27-29, 2005 - 3 days - presented by Bill Davison, CPPO, Purchasing Director, Stearns County, Saint Cloud, MN. Cost: \$500 per person. **Registration deadline is June 24, 2005.**

[Inventory & Warehouse Management](#) - September 13-14, 2005 - 2 days – presented by Jennie Readey, CPPO, CPPB, Procurement Consultant, Denver, CO. Cost: \$300 per person. **Registration deadline is August 12, 2005.**

[Legal Aspects of Purchasing](#) - October 5-7, 2005 - 3 days - Presented by Barbara Johnson, MPA, CPPO, CPPB, Purchasing Manager, City of Columbus, Ohio. Cost: \$500 per person. **Registration deadline is September 1, 2005.**

Purchasing Q & A

Q: Shall, Must, May, Should, or Will – Does it really make any difference which words I use in my solicitations?

A: Yes, it does make a difference. Different words have different meanings and can change the requirements of your solicitation and, ultimately, the final contract.

Use “shall” or “must” to express a requirement binding on the contractor or the purchaser.

Use “may” or “should” to express non-mandatory provisions.

Use “will” to express future requirements or when certain conditions are met.

For example, if your solicitation says that a bidder “should” or “may” provide references, that means that they do not really have to, because “should” and “may” mean non-mandatory. If your solicitation contains non-mandatory wording where you really wanted the requirement to be mandatory then problems can occur. You cannot disqualify or reject a bidder for not providing non-mandatory information.

Consistency is very important when creating solicitation and contract documents. To avoid confusion among bidders keep your documents language consistent. If you begin by using “shall”, keep using that wording throughout by not switching to “must” randomly. The same advice goes for “may” and “should” – use just one consistently in your documents.

“Will” is probably the most misused word. It does signify a mandatory, binding requirement, but only when specific conditions are met. For example, the contractor “will” send an invoice “when” work is completed and the agency “will” pay within a timeframe “if” an invoice is received. Think of “will” in combination with other words like “if” and “when” and “after”. Something has to happen first, before “will” requirements are enforced.



New Purchasing Law for Political Subdivisions

House Bill 263 was passed by the legislature this past session and becomes laws on July 1, 2005. This legislation standardizes the bid laws for ALL political subdivisions. Previously every political subdivision had their own section of the Idaho Code and the standards and procedures were extremely varied. While it was mostly driven to change the laws concerning "public works construction," it also affects purchases of commodities and services by political subdivisions.

The primary impact is that a new chapter of Idaho Code is established, Title 67, Chapter 28 titled "Purchasing by Political Subdivisions." You can view the entire bill at the following URL:

<http://www3.state.id.us/oasis/H0263.html>

The purpose of the legislation is worded as follows: "The end result would be a unified purchasing law that will simplify compliance issues for contractors or vendors while standardizing procurement procedures for political subdivisions."

In summary, the major changes to political subdivision purchasing are:

Services & Personal Property:

- Less than \$25,000 are exempted from competitive bidding
- In excess of \$25,000 but not to exceed \$50,000 require informal bidding to at least 3 vendors
- In excess of \$50,000 requires formal, sealed bidding and advertising in the local newspaper

Public Works:

- Public Works Contractors can now be licensed and prequalification procedures used
- Less than \$50,000 are exempted from competitive bidding with a licensed public works contractor or a non-licensed contractor if no licensed contractors are available
- In excess of \$25,000 but not to exceed \$100,000 require informal bidding to at least 3 licensed public works contractors
- In excess of \$100,000 requires formal, sealed bidding and advertising in the local newspaper

While this new law substantially increases the bidding thresholds for political subdivisions, most have local purchasing ordinances, policies, and procedures that are much more restrictive and will need to be revised before they can take advantage of the new law. Public employees should always inquire within their own jurisdiction as to what the local purchasing requirements are.

Another benefit of this new law, found in 67-2803(1), is that it makes it very clear that political subdivisions may utilize contracts that have been competitively bid by the State, one of its political subdivisions, or an agency of the federal government. In the past, each political subdivision had its own section of code that allowed for this exception to bidding by a definition of what “expenditures” are.

Effects on State Government Purchasing:

Please note that this new law does *NOT* affect purchases or procedures by State agencies for goods and services - they still must comply with the provisions of laws related to the Division of Purchasing Title 67, Chapter 57, Section 67-5714 through 67-5740 and all related rules implementing those statutes.

Changes to Idaho Code 67-5711 and 70-1612, 1613 allow for State public works projects to have the same dollar limitations as political subdivisions described above. The Idaho Division of Public Works will be implementing new policies and procedures soon for State agencies to follow.

People On The Move

Carrie Champlin has joined the Division of Purchasing support staff, replacing Karen Andreason who is now at Boise State University. Born and raised in New York, Carrie moved to Idaho in 2001. She plays piano and sings and attends Boise State University where she is seeking a degree in music education. Welcome to purchasing Carrie!

Louie Konkol has left the Purchasing Agent position at the Department of Lands and is now at the State Controller's Office. Clarke Camenga, Buyer, is temporarily taking on those duties.

Tina Klamt, former Grants/Contracts Officer at the Department of Environmental Quality, has accepted a position as Senior Buyer at the Idaho Transportation Department.



Vendor Presentations

The Division of Purchasing has partnered with Sicommnet, our electronic purchasing supplier, to provide monthly training for vendors. Purchasing staff do a basic presentation on "How to do Business with the State" followed by an in depth look at the Sicommnet system by a local representative. The presentation covers how to register and how to find and respond to bidding opportunities. The class is held once a month at the Boise School District training lab on Victory Road. Approximately 40 vendors attend this session each month. Please encourage your vendors to sign up for this class by going to <http://www.idahoecommerce.com>. Space is limited. We are considering offering similar classes in eastern and Northern Idaho on a regular basis.



Statewide Contracts Updates

CDL Alcohol & Controlled Substance Testing – SBPO 1189-01 with Wienhoff & Associates has been renewed for another year, now expiring on 5/5/2006.

Court Reporting – All seven court reporting price agreements have been renewed, now expiring on 3/31/2006.

Envelopes – SBPO 1172-01 with Allied Envelope has been extended to 8/1/2005.

Telephone Systems, Internal (Purchase & Installation) – SBPO 1216-01 with B&C Telephone has been extended until 7/31/2005.

McAfee Anti-Virus Software – BPO 1154-02 with McAfee, Inc. has been renewed for another year, expiring 6/3/2006.

Purchasing Update is a newsletter for the **Department of Administration, Division of Purchasing** designed to provide purchasing information to state and public agency purchasing personnel. Anyone wishing to contribute information and ideas for future articles; has questions regarding state purchasing issues; the **Division of Purchasing** mission or activities, please contact Frank Pierce at (208)-327-7322 or frank.pierce@adm.idaho.gov